



## News Release

2 January 2012

### **LS TRAVEL RETAIL CONTINUES GROWTH STRATEGY WITH MAJOR ACQUISITION AT PRAGUE AIRPORT**

*Following sustained global growth in 2011, LS Travel Retail has begun 2012 with a further significant development of its European business following the acquisition of the extensive Duty Free activities of Unimex at Prague's Ruzyně International Airport. With this transaction, LS Travel Retail consolidates its leading position in Czech Republic.*

The Unimex portfolio of 15 stores across Terminals 1 & 2 at Prague Airport includes core Duty Free stores (Perfumes & Cosmetics, Tobacco, Spirits, Confectionery) as well as a substantial presence in Fashion. The transaction is effective on January 2<sup>nd</sup> 2012 and LS Travel Retail plans to re-develop several stores over the coming months, subject to further negotiation with Prague Airport authorities.

Unimex's total Duty Free sales at the airport reached over 600 million CZK (24 million EUR) in 2010 and will further boost LS Travel Retail's operations in the Czech Republic, where the division already operates a portfolio of over 250 stores, across several transportation networks in the country. These operations include the group's own established retail concepts - such as Relay, Aelia Duty Free and Inmedio - as well as a significant Food & Beverage business



through the master franchise for the whole Czech Republic of Paul bakery and patisserie concept and Costa Coffee. LS Travel Retail's current total sales across its operations in the Czech Republic are around 120 million Euros per year.

LS Travel Retail has rapidly grown its Duty Free presence in the Czech Republic since the creation of Aelia Czech Republic in 2010, following the acquisition and successful turnaround of the Duty Free activities of CSA, driving improvements in performance of over 30% in its newly acquired stores. Currently, Aelia Czech Republic operates 3 shops at Prague airport, as well as 2 stores at Ostrava Airport and a single shop in Karlovy Vary Airport; it also runs the inflight business for CSA. In the Czech Republic, the first half of 2011, LS Travel Retail's sales across airports, railways and the metro rose by 15%, with SPP for duty free and luxury in airports growing by 27% compared with the previous period.

Vincent Romet, COO of LS Travel Retail EMEA, welcomes the new acquisition as an ideal opportunity for growth: "We are delighted to seize this exciting opportunity to expand our operations in the Czech Republic, particularly in growing our presence in core Duty Free and Fashion. We have strong local teams in our operations across the region and have a full and effective understanding of the needs of both travellers and airports in Central and Eastern Europe. Wherever we have undertaken new contracts and locations we have displayed a proven record in achieving significant increases in sales performance and we are fully confident that we can deliver similar success in our expanded presence at Prague airport.

Through our growth in the Czech Republic and other countries across the region, we have also developed a substantial platform from which we can further expand our ambitions for growth. As a global group, we continue to seize every viable opportunity to expand our business and



we look forward to further consolidating our growth strategy not only through enhanced performance at each location but also through further acquisitions, where appropriate.”

The city of Prague has become one of Europe’s leading tourist destinations and Prague Airport, one of the most modern airports in Europe, is the second-largest airport in Central Europe. Last year, traffic reached 11.56 million and the airport was the only one in the world to receive the prestigious Eagle award, from IATA, for its efforts to achieve the highest possible level of services, efficiency and sustainable development.

LS Travel Retail has a strong presence across the region, operating stores in a dozen countries in Europe including in Poland, Hungary, Romania and Bulgaria. Offering the full range of Travel Retail concepts, it is the leading News & Convenience travel retailer and the operator of the Relay concept; the company also operates multi- and mono-category Duty Free stores (eg. *Aelia Duty Free*, *BuY PARIS DUTY FREE*), multi and mono-brand fashion stores (eg. for brands such as Hugo Boss, Yves St Laurent, Hermes, Longchamp), specialty gift stores, gourmet food stores as well as Food & Beverage outlets.

Patria Corporate Finance a.s. acted as the advisor for LS Travel Retail in this transaction.

Unimex’s Duty Free operations at Prague have been managed by a subsidiary, UGAir, and the group still operates a number of border stores in the Czech Republic. The Unimex group a.s. was established in 1991 and has become one of the largest private companies in the Czech Republic with an extensive range of operations, including building, tourism and branded merchandise.

**ENDS**



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